

stronger, and together we will one day find success.

PROVIDING SMALL BUSINESSES WITH TARGETED TAX RELIEF AND REGULATORY REFORM

Ms. SNOWE. Mr. President, I rise today to commemorate "National Small Business Week, which President Bush designated for April 22–28, 2007. As ranking member of the Senate Committee on Small Business and Entrepreneurship, I simply cannot understate the vital role of small business in our Nation's economy. There was a time when "what was good for General Motors was good for America." But the fact is what's truly good for this country—what built it, what sustains it, what drives it, and what represents its core—are the small businesses that each and every year create nearly three-quarters of all net new jobs. In my home State of Maine, small businesses comprise 97.5 percent of all businesses.

First, I would like to discuss the unfair and onerous tax and regulatory burdens that continue to impede the ability of our Nation's small businesses to compete in an ever-increasing global marketplace. According to the Small Business Administration's Office of Advocacy, small businesses spend an astounding 8 billion hours each year complying with government rules and regulations. Eighty percent of this time is spent on completing tax forms. Furthermore, businesses employing fewer than 20 employees spend nearly \$1,304 per employee in tax compliance costs, nearly 67 percent more than the comparable cost to larger firms. Despite the fact that small businesses are the primary job-creators for our economy, the tax system is not working because small companies spend their money and time satisfying their tax obligations.

For that reason, I have introduced a package of proposals that will provide not only targeted, affordable tax relief to small business owners, but also simpler rules under the tax code. By simplifying the Tax Code, small business owners will be able to satisfy their tax obligation in a cheaper, more efficient manner, allowing them to be able to devote more time and resources to their business.

I have introduced legislation, S. 269, in response to the repeated requests from small businesses in Maine and from across the Nation to allow them to expense more of their investments, like the purchase of essential new equipment. My bill modifies the Internal Revenue Code by doubling the amount a small business can expense from \$100,000 to \$200,000, and make the provision permanent as President Bush proposed this change in his fiscal year 2007 tax proposals. With small businesses representing 99 percent of all employers, creating 75 percent of net new jobs and contributing 51 percent of private-sector output, their size is the only "small" aspect about them.

By doubling and making permanent the current expensing limit and indexing these amounts for inflation, this bill will achieve two important objectives. First, qualifying businesses will be able to write off more of the equipment purchases today, instead of waiting 5, 7, or more years to recover their costs through depreciation. That represents substantial savings both in dollars and in the time small businesses would otherwise have to spend complying with complex and confusing depreciation rules. Moreover, new equipment will contribute to continued productivity growth in the business community, which economic experts have repeatedly stressed is essential to the long-term vitality of our economy.

Second, as a result of this bill, more businesses will qualify for this benefit because the phase-out limit will be increased to \$800,000 in new assets purchases. At the same time, small business capital investment will be pumping more money into the economy. This is a win-win for small business and the economy as a whole and I am pleased to have Senators LOTT, ISAKSON, CHAMBLISS, and COLLINS join me as co-sponsors of this legislation.

Another proposal that I have introduced, with Senators LINCOLN and LOTT, the Small Business Tax Flexibility Act of 2007, S. 270, will permit start-up small business owners to use a taxable year other than the calendar year if they generally earn fewer than \$5 million during the tax year. Specifically, the Small Business Tax Flexibility Act of 2007 will permit more taxpayers to use the taxable year most suitable to their business cycle. Until 1986, businesses could elect the taxable year-end that made the most economic sense for the business. In 1986, Congress passed legislation requiring partnerships and S corporations, many of which are small businesses, to adopt a December 31 year-end for tax purposes. The Tax Code does provide alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize.

Meanwhile, C corporations, as large corporations often are, receive much more flexibility in their choice of taxable year. A so-called C corporation can adopt either a calendar year or any fiscal year for tax purposes, as long as it keeps its books on that basis. This creates the unfair result of allowing larger businesses with greater resources greater flexibility in choosing a taxable year than smaller firms with fewer resources. This simply does not make sense to me. My bill changes these existing rules so that more small businesses will be able to use the taxable year that best suits their business.

To provide relief and equity to our nation's 1.5 million retail establishments, most of which have less than five employees, I have introduced a bill, S. 271, with Senators LINCOLN, HUTCHISON, and KERRY, that reduces

from 39 to 15 years the depreciable life of improvements that are made to retail stores that are owned by the retailer. Under current law, only retailers that lease their property are allowed this accelerated depreciation, which means it excludes retailers that also own the property in which they operate. My bill simply seeks to provide equal treatment to all retailers.

Specifically, this bill will simply conform the tax codes to the realities that retailers on Main Street face. Studies conducted by the Treasury Department, Congressional Research Service and private economists have all found that the 39-year depreciation life for buildings is too long and that the 39-year depreciation life for building improvements is even worse. Retailers generally remodel their stores every five to seven years to reflect changes in customer base and compete with newer stores. Moreover, many improvements such as interior partitions, ceiling tiles, restroom accessories, and paint, may only last a few years before requiring replacement.

Finally, I joined Senator BOND in introducing S. 296 that will simplify the tax code by permitting small business owners to use the cash method of accounting for reporting their income if they generally earn fewer than \$10 million during the tax year. Currently, only those taxpayers that earn less than \$5 million per year are able to use the cash method. By increasing this threshold to \$10 million, more small businesses will be relieved of the burdensome record keeping requirements that they currently must undertake in reporting their income under a different accounting method.

Earlier this year, I was very pleased when the Senate passed small business tax relief that included portions of my proposals on small business expensing, cash method accounting, and accelerated depreciation for improvements to retail-owned property. Sadly, I must report that on the very same week of "National Small Business Week," cash method accounting and my proposal to bring depreciation equity for retailer-owned property were stripped from the small business tax relief package in conference negotiations between the House and Senate. This is extremely unfortunate especially when one considers that the Senate-passed package, which was fully offset, was both modest and fiscally responsible. In the coming months, I will continue to fight for these proposals and am hopeful that Congress will enact them into law.

This package of proposals are a tremendous opportunity to help small enterprises succeed by providing an incentive for reinvestment and leaving them more of their earnings to do just that. Notably, providing tax relief by passing these simplification measures will also help us reduce the tax gap by increasing compliance. I urge my colleagues to join me in supporting these proposals.

In addition to reforming the tax code, we in Congress should level the

regulatory playing field for small businesses. Over the past 20 years, the number and complexity of Federal regulations have multiplied at an alarming rate. For example, in 2004, the Federal Register contained 75,675 pages, an all-time record, and 4,101 rules. These rules and regulations impose a much more significant impact on small businesses than larger businesses.

To illustrate this conclusion, a recent report prepared for the SBA's Office of Advocacy that said that in 2004, the per-employee cost of Federal regulations for firms with fewer than 20 employees was \$7,647. In contrast, the per-employee cost of federal regulations for firms with 500 or more workers was \$5,282, which results in a 44 percent increase in burden for smaller businesses compared to their larger counterparts. Clearly, we must find ways to ease the regulatory burden for our nation's small businesses so that they may continue to create jobs and drive economic growth. All too often, small businesses do not maintain the staff, or possess the financial resources to comply with complex Federal rules and regulations. This puts them at a disadvantage compared to larger businesses, and reduces the effectiveness of the agency's regulations. If an agency can not describe how to comply with its regulation, how can we expect a small business to figure it out?

This is why I have offered bipartisan legislation, the Small Business Compliance Assistance Enhancement Act, S. 246, with Senators KERRY, ENZI, and LANDRIEU, which would clarify small business requirements that exist under Federal law. Our measure is drawn directly from recommendations put forth by the Government Accountability Office and is intended only to clarify an already existing requirement under the Small Business Regulatory Enforcement Fairness Act, SBREFA, which unanimously passed the Senate in 1996. Specifically, our bill clarifies when a small business compliance guide is required, how a guide shall be designated, how and when a guide shall be published, and that the agency make the guide available on the Internet. It would not create any new rules or requirements. This commonsense, good government reform would provide a major regulatory reform for small businesses at virtually no cost to the Federal Government.

It is clear that in order to ensure our small businesses are able to grow, thrive, and, most importantly, create jobs, we need to simplify the tax code and reduce the regulatory burden. Over the coming months, I will continue to fight to accomplish these commonsense objectives.

WORKERS MEMORIAL DAY

Mr. DODD. Mr. President, Saturday, April 28, is Workers Memorial Day. Tomorrow, working men and women around the world will gather to remember their millions of brothers and sis-

ters who have been injured or killed on the job. I join them in their grief and in their determination to secure a safer future.

Work-related accidents kill Americans with a regularity that calls us to question the very word "accident." Fifteen deaths every day, and more than 11,000 injuries: They are grimly predictable and often preventable.

Today is for men like Eleazar Torres-Gomez, a laundry worker who was dragged by a conveyor belt into a 300-degree industrial dryer, where he burned to death. Sadness at his death is matched by an equal anger—especially when we learn that, in the two years preceding it, his employer was cited more than 170 times for unsafe, illegal working conditions. We remember Eleazar today.

Today is for the 12 miners killed last year in Sago, West Virginia, when an explosion trapped them underground for two days. Only a few years before, the Mine Safety and Health Administration struck down 17 new safety rules for trapped miners—rules that might have saved the miners in Sago. We remember them today.

Today is for the 28 union construction workers killed in Connecticut, 20 years ago this month, when the apartment towers they were building collapsed with a roar, within seconds, into ruined concrete and steel. In the wake of their deaths, we outlawed the dangerous lift-slab construction method that led to the collapse. But we can never replace those lives; today we remember them, too.

How can we honor them? I know this much: Words alone would be an insult. The men and women we remember this Saturday risked their lives so we could lie down and wake up in health and safety and comfort, and merely speaking our gratitude would be emptier than doing nothing. We owe them action.

We owe them action equal to the historic Occupational Safety and Health Act (OSHA), which was passed 37 years ago tomorrow and has saved an estimated 350,000 lives. We need to cover more workers—because more than 8.5 million are not protected by OSHA. We need more resources for inspection and enforcement—because, at the current rate, federal inspectors are only able to examine workplaces, on average, once every 133 years. We need stiffer penalties for employers who knowingly put their workers' lives at risk—because employers like those who compromised Mr. Torres-Gomez's life now face a maximum penalty of a simple misdemeanor.

And we need the Occupational Safety and Health Administration to take its work more seriously—because, according to a New York Times report released this week, "the agency has killed dozens of existing and proposed regulations and delayed adopting others."

Taking these vital steps for workers adds up to more than increased re-

sources or stronger oversight—ultimately, it translates to respect. We owe their memories nothing less. Five thousand seven hundred workers were killed on the job last year, and our economic prosperity is built on their flesh and blood.

More than half a century ago, George Orwell remarked on the disregard that so often greets manual labor: "It keeps us alive, and we are oblivious of its existence. . . . We are capable of forgetting it as we forget the blood in our veins."

Today we pledge ourselves as the exception to that rule. And if we mean our words, we will be the exception tomorrow, and the day after that. For America's working men and women deserve nothing less than our eternal gratitude and diligence in preventing future workplace tragedies.

INTERNET GAMBLING

Mr. KYL. Mr. President, I rise to express concern that serious violations of the law appear to be occurring and should be aggressively pursued by the IRS and, in turn, prosecuted by the Department of Justice.

Specifically, numerous Internet gambling websites may be violating statutes such as 26 U.S.C. 4401 et seq. Section 4401 requires an excise tax equal to 2 percent of the amount of unauthorized wagers. Section 4404 makes clear that the tax applies to wagers "placed by a person who is in the United States with a person who is a citizen or resident of the United States."

I applaud the indictment in *United States v. BETONSPORTS.COM* and the inclusion of tax evasion charges in counts 14, 15, and 16.

These counts charge that the defendants attempted to "evade and defeat the . . . wagering excise tax" in three ways: (1) by failing to make any wagering excise tax returns on or before the last day of the month following the month the wagers were accepted, as required by law, to any proper officer of the Internal Revenue Service, (2) by failing to pay to the Internal Revenue Service said wagering excise tax, and (3) by directing that the wagering funds be sent outside the United States—all in violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

I firmly support the decision of the Department of Justice to enforce the wagering excise tax and pursue any persons in violation.

Additionally, it is important to note that extremely large sums of money are at issue: count 14 charges that from January 29, 2001 to on or about February 3, 2002, the sum of approximately \$1,094,669,000.00 in taxable wagers were had and received; count 15 charges that from February 4, 2002 to on or about February 2, 2003, the sum of approximately \$1,228,874,000.00 in taxable wagers were had and received; and count 16 charges that from February 3, 2003 to on or about February 1, 2004, the sum